FINAL STATEMENT OF REASONS

1. <u>Update of Initial Statement of Reasons.</u>

The entire text of the Initial Statement of Reasons is incorporated herein by reference. No further reasons exist for the adoption of this regulation, other than those set forth in the Initial Statement of Reasons.

2. <u>Imposition of Mandate on Local Agencies and School Districts.</u>

The Board's proposed regulatory action to amend section 553, of Article 1, Chapter 2, Division 1, of Title 13 of the California Code of Regulations, does not impose a mandate on local agencies or school districts. The proposed regulatory action imposes (1) no cost or savings to any state agency, (2) no cost to any local agency or school district that is required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of the Government Code, (3) no other non-discretionary cost or savings to local agencies, and (4) no costs or savings in federal funding to the state. No studies or data were relied upon to make this determination.

3. Summary of Public Comments.

No public comments were received either during the public comment period, July 6, 2001, through August 27, 2001, or during the public hearing on August 27, 2001.

4. Alternatives Considered.

In accordance with Government Code section 11346.5, subdivision (a)(12), the Board must determine that no reasonable alternative it considered, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

At the November 28, 2000, General meeting, wherein the Board preliminarily considered alternative fee structure options, four distinct fee structures were proposed. After discussion, the Board selected the fee reductions contained in the proposed amendments to Title 13, California Code of Regulations, section 553.

At the January 18, 2001, General meeting, wherein the Board preliminarily adopted the proposed regulatory text, no additional alternatives were considered. However, the Board President, Robert T. (Tom) Flesh invited and encouraged the submission of written and oral comments. Furthermore, Mr. Flesh indicated that the Board instructing staff to go forward with the proposed rulemaking, did not necessarily indicate final Board action; that if any written or oral comments were received, the full Board would consider the comments

and reconsider the text of the proposed rulemaking; that if the staff decided that modifications to the proposed text were necessary, the Board would consider those modifications at a noticed meeting; and, lastly, that if there were no written or oral comments received, then the rulemaking process would proceed without further Board involvement.